



David Lehman
Commissioner

TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE

February 19, 2021

*David Lehman, Commissioner
Department of Economic and Community Development*

Fiscal Years 2022-2023 Budget Presentation

Good afternoon Senator Osten, Representative Walker, Senator Miner, Representative France and members of the Appropriations Committee. My name is David Lehman, and I am commissioner of the Department of Economic and Community Development (DECD). I appreciate this opportunity to appear before you concerning Governor Lamont’s proposed FY 2022-2023 budget for economic and community development.

Our mission at DECD is to develop and implement strategies to increase the state’s economic competitiveness. We do this by attracting and retaining businesses and jobs, revitalizing neighborhoods and communities, and preserving and promoting Connecticut’s arts, cultural and tourism assets.

AGENCY SUMMARY

Personnel Summary	FY 21 Authorized	FY 22 Total Recommended	FY 23 Total Recommended
General Fund	90	90	90
Financial Summary	FY 21 Estimated	FY 22 Total Recommended	FY 23 Total Recommended
TOTAL - General Fund ¹	21,204,706	15,808,845	16,133,521
TOTAL – Other Current Exp	4,743,203	4,743,203	4,743,203
TOTAL – Pmts to Other	4,605,741	4,605,741	4,605,741
TOTAL – Tourism Fund	13,069,988	13,069,988	13,069,988
TOTAL – ALL FUNDS	34,274,694	28,878,833	29,203,509

¹ FY 21 funding includes the net impact of a \$3 million transfer from DECD’s Personal Services account to CRDA to cover a COVID related shortfall in CRDA’s operating budget. The agency’s PS account was made whole with a transfer from the Reserve for Salary Adjustment account.



CAPITAL PROGRAM

Department of Economic and Community Development	FY 22 Recommended	FY 23 Recommended
Small Business Express Program	\$25,000,000	\$25,000,000
Connecticut Manufacturing Innovation Fund	\$10,000,000	\$10,000,000
Brownfield Remediation and Revitalization Program	\$25,000,000	\$25,000,000
CareerConneCT Workforce Training Programs	\$20,000,000	\$20,000,000
Total – Department of Economic and Community Development	\$80,000,000	\$80,000,000

The Governor’s FY 2022-2023 budget maintains and enhances funding levels for critical investments in the state’s workforce; and arts, culture, and tourism; and economic development initiatives. From a budget perspective, our \$7.8 million personal services budget funds 90 authorized positions out of the General Fund. However, we also have 5.5 staff that are federally funded. 23 staff that are bond funded (does not include 7 vacant positions), and 2.5 that are privately funded.

Perhaps most notably, the Governor’s budget formally establishes the Office of Workforce Strategy (OWS). Led by the Chief Workforce Officer, OWS is charged with coordinating the state’s strategy on workforce development alongside the newly reconstituted Governor’s Workforce Council (GWC), Connecticut’s state workforce board, who recently released Connecticut’s statewide strategic plan on workforce development. As Connecticut is facing high unemployment levels due to the COVID-19 pandemic, ensuring individuals have access to high-quality job training programs that quickly get them back to work in growing industries in Connecticut, such as manufacturing, healthcare, and IT, will be critical. The OWS will coordinate the implementation of the GWC strategic plan while building on efforts to support workers impacted by COVID-19 by developing short-term training programs that upskill and train workers for in-demand jobs, which is part of the Governor’s CareerConneCT program. Training and retaining top talent in our state, while ensuring residents receive a high-quality postsecondary education, is a key driver of long-term economic growth, and OWS will be a major driver for these statewide efforts.

The proposed operating budget also maintains \$4.3 million each year for the Connecticut Office of Tourism, to be used for statewide marketing and advertising. This funding is critical in stimulating and fostering the state’s brand identity and encouraging visitors to come to Connecticut. In the last year we’ve seen a significant increase of in-migration. More than 16,000 change of address forms have been requested for Connecticut. As we continue to navigate the pandemic effectively, now more than ever we need to market our



state to compete for the new remote workforce. The investments we make in marketing have a direct and positive impact on the tax revenue as well: studies show that for every dollar invested in tourism, the state takes in three dollars of revenue. Furthermore, tourism's unique mission brings visitors to Connecticut, creating jobs to employ Connecticut residents, and generating state and local taxes to support public services. It also motivates Connecticut residents to embody the pride and spirit of an engaging destination. The objectives of our state tourism efforts are to build a research-based brand position, craft comprehensive and cost-effective marketing strategies, and execute marketing campaigns to promote Connecticut as an attractive place to visit, to live and to work, as well as grow a business, and this funding supports these goals.

Additionally, the Governor's budget includes \$1.5 million each year for the Connecticut Office of the Arts (COA), Within DECD, the COA is the state's National Endowment of the Arts Affiliate and receives over three quarters of a million dollars in federal funds to support investment of the arts. Those funds must be matched by a state allocation, which will allow DECD to offer more grant funding to deserving entities in a fair, efficient, and transparent process. Over the years, DECD has invested in numerous Connecticut artists and arts organizations and encouraged the public's participation as creators, learners, supporters, and audience members, connecting people to the arts and helping to build vibrant communities across the state. The Connecticut Office of the Arts is critical to our state economy, and we are grateful to the Governor for including this funding in the FY 2022-2023 budget.

We are confident that the Governor's proposed operating budget will provide DECD with the necessary and sufficient funds to carry out our mission and to make important investments in preserving and promoting Connecticut's arts, cultural, and tourism assets, and our capital budget contains the bond authorizations necessary to fund some of DECD's most important programs. I respectfully request the committee's support and thank you for your time and consideration. I am happy to answer any questions you may have.